

LANCASTER ROMAN CATHOLIC DIOCESE

POLICY FOR MOTOR VEHICLES USED ON DIOCESAN BUSINESS

General

This policy applies to all priests, deacons, religious brothers and sisters, paid lay staff and volunteers engaged on diocesan business.

A motor vehicle used for diocesan purposes falls into two categories:

1. Personal vehicle provided by an individual.
2. A vehicle provided by the diocese.

“Provided” can include owned outright, hired, leased or subject to other financial arrangement.

“Vehicle” to mean motor car unless otherwise stated.

“Diocese” is the legal entity and includes all parishes, commissions and all other diocesan departments. It does not mean diocesan administration arm or curia only.

Personal vehicle

The individual is responsible for:

- all costs of purchase and of maintaining and of running of the vehicle including insurance,
- ensuring that the vehicle is road worthy and compliant with all legal requirements,
- ensuring that the appropriate motor insurance is in place,
- ensuring that they are qualified to drive and have all necessary licences etc,
- complying with all motoring laws and regulations,
- the payment of any motoring fines or penalties,
- claiming a mileage allowance at the agreed rate for all travel in connection with approved diocesan business.

Diocesan vehicle

Where the diocese provides a car costs will be borne by the relevant parish or department unless otherwise agreed in advance. In this context “diocese” means parish or commission or other diocesan department.

The user of the vehicle will be responsible for it at all times but the diocese will retain ownership at all times and be the registered keeper.

The diocese (meaning parish or commission or other diocesan department) is responsible for:

- the cost of purchase,
- all maintenance and running costs of the vehicle, but excluding insurance.

The individual is responsible for:

- ensuring that the vehicle is road worthy and compliant with all legal requirements,
- ensuring that the appropriate motor insurance is in place,
- for the payment of motor insurance
- ensuring that they are qualified to drive and have all necessary licences etc,

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- complying with all motoring laws and regulations,
- the payment of any motoring fines or penalties,
- accounting to the diocese for any private use of the vehicle where required,
- any personal taxation issues arising from provision of a vehicle and from private use of the vehicle,
- for returning the vehicle to the diocese in good order at the end of the engagement with the diocese or on request.

Taxation

For an individual there are two main tax benefits in kind that can arise: a “car” benefit and a “fuel” benefit.

Where an individual provides their own car then no car benefit arises but a fuel benefit may still arise. A fuel benefit will arise if the diocese pays for fuel for private mileage.

Where a diocesan car is provided and it is available for private use then a car benefit will arise and a fuel benefit may also arise if the diocese pays for fuel for private mileage.

The value of the benefits in kind for taxation purposes will depend on the circumstances and vehicle provided etc. The amount of tax payable will depend on the individual’s circumstances and it is the individual’s responsibility to register with and declare their income (including benefits in kind) to UK tax authorities.

The fuel benefit does not arise if the individual pays for fuel for private mileage. It is diocesan policy not to pay for any fuel but for the individual to pay for all fuel and reclaim business mileage expenses (see next section).

Business mileage expense claims

The rate of claim will depend on whether the vehicle used is a personal vehicle or a diocesan vehicle. There are different rates.

For a personal vehicle the rates are confirmed annually by the Bishop and are generally the Inland Revenue “fixed profit car scheme” rates.

For cars provided by the diocese the mileage rate is much less to reflect the cost of fuel only used on diocesan business.

Prepared: 17 August 2015

Approved by Bishop and Board of Diocesan Trustees: 8 September 2015